

REAL ESTATE EXPENSES

What is it?

Expenses associated with selling residence at old duty station; purchasing residence at new duty station; and breakage of lease at old duty station.

Guidelines -

1. Title must be in employees' name alone or joint names of the employees' and/or one or more members of the immediate family. Otherwise, reimbursement is pro rated.
2. Residence must be employees' actual residence from which the employee commutes daily to their permanent duty station.
3. Settlement dates for sale, purchase, or lease termination must be completed within two years from the date the employee reports at the new duty station. This may be extended for 1 additional year. Extension of time should be submitted to the office scheduling the PCS move. Employees should provide a chronology of the 2-year period. The chronology should include such information as the number of homes viewed, whether any contracts were tendered and reasons for not buying, such as price, location, facilities, schools, etc. as well as the current efforts that are being made to complete residence transactions. **The employee will be notified whether the extension of time was approved or disapproved.**

Reimbursement -

1. Limits:
 - sale of residence: 10% of the selling price
 - purchase of residence: 5% of the purchase price
2. To qualify for reimbursement of expenses related to an unexpired lease, employees must not have failed to move promptly after knowledge of transfer to new duty.
3. Reimbursement expenses for the sale/purchase of a residence are:

Type of Expenses	Old Station	New Station
Abstract	Yes	Yes
Advertising	Yes	No
Application fee (FHA and VA only)	Yes	Yes

Type of Expenses	Old Station	New Station
Appraisal fee (determine market value of residence)	Yes	No
Appraisal fee (lender's)	No	Yes
Assumption fee (not in addition to origination fee)	No	Yes
Attorney's fee	Yes	Yes
Broker's commission (not to exceed 6%)	Yes	No
Construction Charges	No	No
Cost of litigation	No	No
Credit report	No	Yes
Escrow agent's fee (not escrow deposits)	Yes	Yes
Hazard insurance	No	No
Inspection fees (termite, fleas, radon, asbestos, roof)	Yes	Yes
Interest on loans	No	No
Lender's service fees (except as specifically listed)	No	No
Loan discounts (points)	No	No
Loan origination fee (not to exceed 1 per cent)	No	Yes
Loan transfer fee (in addition to assumption or origination fee)	No	Yes
Losses due to prices or market conditions	No	No
Mortgage insurance	No	No
Mortgage prepayment penalty (See 41 CFR 302-6.2(d)(1)(vii))	Yes	No
Mortgage title insurance (lender's coverage)	No	Yes
Mortgage title insurance (owner's coverage)	Yes	No
Notary fees	Yes	Yes
Operating and maintenance costs	No	No
Pest inspection fee (but no services performed)	Yes	Yes
Pest eradication services	No	No

Type of Expenses	Old Station	New Station
Property taxes	No	No
Recording fees	Yes	Yes
Record title insurance	Yes	Yes
Repair costs/Maintenance	No	No
Settlement/Closing Fee	Yes	Yes
State/county/city revenue stamps	Yes	Yes
Survey	Yes	Yes
Title insurance binder (instead of title search)	Yes	Yes
Title insurance option	Yes	Yes
Transfer charges	Yes	Yes
Expired lease termination (See 41 CFR 302.6.2 (h))	Yes	No

Reimbursement expenses associated with an unexpired lease are:

- brokers fees for obtaining a sublease
- advertising expenses
- forfeiture of security deposit

4. Non-reimbursable expenses for the sale/purchase of a residence include:

- o cost of litigation
- o property taxes
- o finance charges
- o losses due to market conditions (capital losses)
- o duplicate expenses (i.e., 2 appraisals, 2 termite inspections, etc.)
- o cost of services provided at personal request or option of the employee
- o residence transaction expenses incurred where the related residence sale or purchase does not transpire
- o expenses that are not customarily paid by the party submitting the claim or expenses in amounts exceeding the customary charges in a particular locality
- o expenses involved in leases with options to purchase
- o tax service or tax escrow
- o loan discount fee

- o interest
- o hazard insurance
- o county property taxes
- o title insurance (owner's coverage)
- o courier/express fee - can be claimed on actual expense miscellaneous voucher
- o underwriting fee
- o VA funding fee
- o Home Owners Association (HOA) Fees
- o Home Inspection Fee
- o Home Warranty Fee
- o Purchase Home Inspection Fee
- o Engineering Inspection Fee
- o Home Protection Fee
- o Structural Inspection Fee

Non-reimbursement expenses associated with an unexpired lease are:

- forfeiture of cleaning deposit

5. To claim reimbursement:

- o Complete Form DOE 1520.1, Employee Application for Reimbursement of Expenses Incurred Upon Sale or Purchase (or both) of Residence Upon Change of Official Station (see Attachment 9, for a blank form to be used). Prepare a separate form for sale and purchase of a residence.
- o Complete Form SF 1012, Travel Voucher. Complete a separate form for sale and purchase of a residence.
- o Submit other supporting documents:
 - sale agreement
 - purchase agreement
 - property settlement documents
 - invoices or receipts for other expenses incurred and paid by the employee
 - copy of lease

Please see the following example of the two forms that need to be completed when submitting a real estate purchase/sale voucher.

TRAVEL VOUCHER <i>(Read the Privacy Act Statement on the back)</i>		1. DEPARTMENT OR ESTABLISHMENT, BUREAU DIVISION OR OFFICE		2. TYPE OF TRAVEL <input type="checkbox"/> TEMPORARY DUTY <input checked="" type="checkbox"/> PERMANENT CHANGE OF STATION		3. VOUCHER NO. 4. SCHEDULE NO.					
TRAVELER'S SIGNATURE	5. a. NAME (Last, first, middle initial) Employee's Name MAILING ADDRESS (Include ZIP Code) Employee's Address e. PRESENT DUTY STATION Employee's Duty Station			b. SOCIAL SECURITY NO. XXX-XX-XXXX d. OFFICE TELEPHONE NO. XXX-XXX-XXXX		6. PERIOD OF TRAVEL a. FROM XX/XX/XX b. TO XX/XX/XX 7. TRAVEL AUTHORIZATION a. NUMBER(S) b. DATE(S)					
	8. TRAVEL ADVANCE a. Outstanding b. Amount to be applied c. Amount due Government (Attached: <input type="checkbox"/> Check <input type="checkbox"/> Cash) d. Balance outstanding			9. CASH PAYMENT RECEIPT a. DATE RECEIVED b. AMOUNT RECEIVED \$ c. PAYEE'S SIGNATURE		10. CHECK NO. 11. PAID BY					
	12. GOVERNMENT TRANSPORTATION REQUESTS, OR TRANSPORTATION TICKETS, IF PURCHASED WITH CASH <i>(List by number below and attach passenger coupon; if cash is used show claim on reverse side.)</i>							I hereby assign to the United States any right I may have against any parties in connection with reimbursable transportation charges described below, purchased under cash payment procedures (FPMR 101-7) Traveler's Initials			
	AGENT'S VALUATION OF TICKET (a)		ISSUING CARRIER (Initials) (b)	MODE, CLASS OF SERVICE AND ACCOMMODATIONS (c)	DATE ISSUED (d)	POINTS OF TRAVEL <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">FROM (e)</th> <th style="width: 50%;">TO (f)</th> </tr> <tr> <td style="height: 100px; vertical-align: top;"> Indicate Real Estate Purchase or Real Estate Sale </td> <td></td> </tr> </table>			FROM (e)	TO (f)	Indicate Real Estate Purchase or Real Estate Sale
FROM (e)	TO (f)										
Indicate Real Estate Purchase or Real Estate Sale											
13. I certify that this voucher is true and correct to the best of my knowledge and belief, and that payment or credit has not been received by me. When applicable, per diem claimed is based on the average cost of lodging incurred during the period covered by this voucher.						Total Real Estate Expense \$					
TRAVELER SIGN HERE Traveler's Signature (In Ink)						DATE XX/XX/XX AMOUNT CLAIMED \$					
NOTE: Falsification of an item in an expense account works a forfeiture of claim (28 U.S.C. 2514) and may result in a fine of not more than \$10,000 or imprisonment for not more than 5 years or both (18 U.S.C. 287; i.d. 1001).											
14. This voucher is approved. Long distance telephone calls, if any, are certified as necessary in the interest of the Government. (NOTE: If long distance telephone calls are included, the approving official must have been authorized in writing by the head of the department or agency to so certify (31 U.S.C. 680a).)					17. FOR FINANCE OFFICE USE ONLY COMPUTATION DIFFERENCES, IF ANY (Explain and show amount)						
APPROVING OFFICIAL SIGN HERE					DATE						
15. LAST PRECEDING VOUCHER PAID UNDER SAME TRAVEL AUTHORIZATION					16. THIS VOUCHER IS CERTIFIED CORRECT AND PROPER FOR PAYMENT						
a. VOUCHER NO.		b. D.O. SYMBOL		c. MONTH & YEAR		d. TOTAL VERIFIED CORRECT FOR CHARGE TO APPROPRIATION Certifier's Initials:					
16. AUTHORIZED CERTIFYING OFFICIAL SIGN HERE					DATE						
16. ACCOUNTING CLASSIFICATION					e. APPLIED TO TRAVEL ADVANCE (Appropriation symbol): NET TO TRAVELER \$						

**EMPLOYEE APPLICATION FOR REIMBURSEMENT OF EXPENSES INCURRED
UPON SALE OR PURCHASE (OR BOTH) OF RESIDENCE UPON CHANGE OF OFFICIAL STATION**
(See instructions below)

I. EMPLOYEE - CLAIMANT

Name Employee's Name	Mailing Address Traveler's Address	Check Applicable Box if Earlier Claim for Real Estate Expenses Submitted for this Transfer. <input type="checkbox"/> YES <input type="checkbox"/> NO
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II. TRANSFER DATA

Official Station Employee's Old Duty Station	New Official Station Employee's New Duty Station	Date of Notification of Impending Transfer Enter On Duty Date
Travel Authorization No. and Date	Date Reported for Duty at New Official Station	Date Service Agreement Signed Date of Signed Agreement

III. RESIDENCE PROPERTY DATA

ITEM	OLD OFFICIAL STATION	NEW OFFICIAL STATION
COMPLETE ADDRESS OF RESIDENCE	Complete this section if	Complete this section if Real
NUMBER OF DWELLING UNITS ON PROPERTY	Real Estate Sale	Estate Purchase
SALE AND/OR PURCHASE PRICE	\$	\$
DATE OF CLOSING OR SETTLEMENT		
AMOUNT OF EXPENSE BEING CLAIMED	\$	\$

EMPLOYEE CERTIFICATION(S)

I hereby certify that the amount claimed in connection with the above sale represents only amounts actually paid by me and that title to the property was in my name and/or a member of my immediate family and was my residence when first definitely informed of my transfer.	I hereby certify that the amount claimed in connection with the above purchase represents only amounts actually paid by me and that title to the property is in my name and/or a member of my immediate family and is my new residence.
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Signature of Employee Traveler's Signature (In Ink) XX/XX/XX	Date XX/XX/XX	Signature of Employee Traveler's Signature (In Ink) XX/XX/XX	Date XX/XX/XX
For Real Estate Sale		For Real Estate Purchase	

IV. APPROVALS

A. SALE EXPENSES		B. PURCHASE EXPENSES		C. FINAL ADMINISTRATIVE APPROVAL FOR PAYMENT	
The expenses of the sale applied for above are hereby approved as being (1) reasonable in amount and (2) customarily paid by a seller in the locality where the property is located.		The expenses of the purchase applied for above are hereby approved as being (1) reasonable in amount and (2) customarily paid by a buyer in the locality where the property is located.		Payment of this claim is approved in the amount of: \$	
<input type="checkbox"/> As Claimed <input type="checkbox"/> As Reduced, Per Attached Memo		<input type="checkbox"/> As Claimed <input type="checkbox"/> As Reduced, Per Attached Memo		If amount approved is less than amount claimed, see attached memo.	
Signature	Date	Signature	Date	Signature	Date
Title		Title		Title	

INSTRUCTIONS

A. EMPLOYEE - CLAIMANT

1. Prepare application in triplicate, completing Parts I, II, and III of face and enter all applicable amounts and totals on reverse side.
2. Attach one complete set of documents required to support claim - sales agreement between buyer and seller, settlement or loan closing statement, invoices and statements to support other items claimed for reimbursement, etc. These should be photo or picture copies, as they will not be returned. Be sure you have signed the employee certification(s).
3. Prepare and attach an appropriate agency travel voucher form, or SF 1012, Travel Voucher. (Record total amounts claimed on this form on the travel voucher.)
4. Submit original and first copy of application and supporting documentation, together with SF 1012 or other appropriate agency travel voucher form, to the head of your office at new official station or to the appropriate official designated by your department or agency. Retain second copy of the application.

B. HEAD OF OFFICE

1. For Sales: Send original and copy of the application, together with the supporting documentation and travel voucher, to the head of the office at the locality of the claimant's old official station as provided in the Federal Travel Regulations (FTR) for handling and execution of the approval (see item IV.A) by him, or his designee, who will return the package to you.
2. For Purchases: Approval of the claim must be executed by the head of the office, or his designee, at the locality of the claimant's new official station (unless agency review and approval functions are performed elsewhere). (See item IV.B.)
3. Final administrative approval of payment of the claim must be executed by an appropriate approving official. (See item IV.C.) Such official shall independently determine, in accordance with the provisions of the FTR, the propriety of all reimbursements claimed (except with regard to reasonableness and whether customarily paid). In this connection, all vouchers for reimbursement of real estate expenses incident to the same transfer shall be examined.
4. SF 1012, or other appropriate agency travel voucher form, shall be completed and submitted following usual procedures accompanied by the original application and supporting documents. File the copy of the application with the office copy of the voucher.

PRIVACY ACT INFORMATION STATEMENT Collection of the information requested is authorized by Federal Trade Regulation 41 CFR 102-8.3, issued under authority of Executive Order 11609. Compliance is voluntary, however, if the information is inadequate or incomplete, reimbursement of expenses claimed may be delayed or disallowed.

The information will be reviewed by GCE to determine that all items claimed are proper for payment, to authorize payment, and to audit the account, by the General Accounting Office to verify the accuracy and legality of payment, and by the Treasury Department to issue checks.

indicate real estate expense incurred in appropriate category on form below (from settlement sheet). If category on form includes multiple expenses listed from settlement sheet, provide HUD number as well.

2 COSTS INCURRED AND PAID IN SELLING RESIDENCE AT OLD OFFICIAL STATION OR PURCHASING RESIDENCE AT NEW OFFICIAL STATION LOCATION (OR BOTH)

ITEM	EXPLANATION	Former Residence	New Residence
1. BROKERAGE FEES:	The sales commission paid to a broker or real estate agent for selling former residence. Also, fees for listing a residence and payment for multiple listing service, if not included in commission paid to the broker or agent.	\$	
2. ADVERTISING:	Expenses paid for newspaper and other advertising when a direct sale is made without the services of a real estate broker or real estate agent.	\$	
3. APPRAISAL FEE:	The amount paid to a professional appraiser for establishing a suggested sale price for the residence.	\$	
4. LEGAL AND RELATED COSTS:	The amounts paid for costs of (1) searching title, preparing abstract, and legal fees for a title opinion, or (2) title insurance policy where customarily furnished by the seller; costs of preparing conveyances, other instruments, and contracts; related notary fees; costs of making surveys, preparing drawings or plats, recording fees and recording taxes or other charges paid incident to recordation (e.g., mortgage discharge recording fees), etc.	\$	\$
5. MISCELLANEOUS COSTS:	Amounts paid in connection with sale of former residence and purchase of a new residence. (Normally, these expenses (except A.) are paid by the purchaser; however, depending on local custom and practice, the seller may be required to pay some of them.)		
A. PREPAYMENT CHARGE:	The amount paid as required in the mortgage or other security instrument as a charge for prepayment; or if not specifically required by the mortgage instrument, the amount paid limited to 3 months prevailing interest on the loan balance.	\$	
B. LENDER'S APPRAISAL FEE:	The amount paid for the mortgagee-lender's charge for residence appraisal.	\$	\$
C. FHA OR VA APPLICATION FEE:	The amount paid.	\$	\$
D. CERTIFICATIONS:	The amount paid for any required certifications as to structural soundness or physical condition of property, when required by mortgagee-lender, FHA or VA.	\$	\$
E. CREDIT REPORT:	The amount paid for credit or factual data report on the buyer, if required by mortgagee-lender, FHA or VA.	\$	\$
F. MORTGAGE TITLE POLICY:	The amount paid for mortgage (or lender's) title insurance policy only (as distinguished from a mortgage insurance policy on the life of the borrower and the additional cost for an owner's title policy).		\$
G. ESCROW AGENT'S FEE:	The amount paid to an escrow agent, title company, or similar entity for closing a real estate transaction.	\$	\$
H. STATE REVENUE STAMPS:	The amount paid.	\$	\$
I. SALES OR TRANSFER TAXES, MORTGAGE TAX, IF ANY:	The amount paid.	\$	\$
6. OTHER INCIDENTAL EXPENSES:	Such other reasonable and customary charges or fees paid as may be authorized and not properly includable in items listed above (itemize and explain; if necessary, attach separate sheet).	\$	\$
TOTAL - FORMER RESIDENCE		\$ 1-3/	
TOTAL - NEW RESIDENCE			\$ 2-1/

NOTE: In accordance with the real estate provisions of the FTR, cost of insurance against damage or loss of property, maintenance and operating costs, and property taxes are not reimbursable. Also, mortgage discounts, points, interest on loans, and losses in connection with the sale or purchase of a residence due to price or market conditions are not reimbursable. Notwithstanding the above, no fee, cost, charge, or expense is reimbursable which is determined to be a part of the finance charge under the Truth in Lending Act, Title I, Public Law 90-121, and Regulation Z issued pursuant thereto by the Board of Governors of the Federal Reserve System.

FOOTNOTES:

¹ The aggregate amount of expenses which may be reimbursed is this amount, but it shall not exceed 10% of sale price or \$18,126, whichever is the smaller. A similar limitation is effect as of 10/1/89.

² The aggregate amount of expenses which may be reimbursed is this amount, but it shall not exceed 5% of purchase price or \$9,063, whichever is the smaller. A similar limitation is effect as of 10/1/89.

³ If property is multiple family unit type (excluding condominium) expenses will be prorated and allowed for residence unit only.



TRAVEL MANAGEMENT POLICY

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PART 302-6--ALLOWANCE FOR EXPENSES INCURRED IN CONNECTION WITH RESIDENCE TRANSACTIONS

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[302-6.2](#) Reimbursable and nonreimbursable expenses.

[302-6.3](#) Procedural and control requirements.

[302-6.4](#) Exclusions.

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Authority: 5 U.S.C. 5738; and E.O. 11609, 36 FR 13747, 3 CFR, 1971-1975, Comp., p. 586.

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